

CHAPTER 39-22.3 MOTORCYCLE DEALERS

39-22.3-01. Motorcycle dealer's license - Fees - Additional number plates. It is unlawful for any person, partnership, corporation, or limited liability company to engage in the business of buying, selling, or exchanging of motorcycles without possessing a current motorcycle dealer's license. No person, partnership, corporation, or limited liability company may advertise or hold out to the public as engaging in the buying, selling, or exchanging of motorcycles for resale without possession of a current motorcycle dealer's license. The motorcycle dealer's license fee is twenty-five dollars per year and with which must be issued one dealer's plate. Additional dealer's plates are ten dollars each. A dealer plate may be displayed on any motorcycle owned by the dealer.

39-22.3-02. Application required. No license may be granted unless a completed application has been made in the form prescribed by the director.

39-22.3-03. Issuance of license - Conditions - Penalty. No license may be issued until the applicant furnishes proof satisfactory to the director that the applicant has and will continue to maintain an established place of business. An established central place of business means a permanent enclosed building or structure either owned or leased with a stated periodic rental, at which a permanent business of bartering, trading, and selling of motorcycles, the repair, maintenance, and servicing of motorcycles and the storage of parts and accessories therefor, will be carried out in good faith and not for the purpose of evading this section, and where the business books, records, and files shall be maintained, and does not mean a residence, tents, temporary stands, or other temporary quarters, nor permanent quarters occupied pursuant to any temporary arrangement. Said central place of business may consist of several buildings, or structures, but no building or structure may be located beyond one thousand feet [304.8 meters] from any other buildings or structures of said central place of business. Such central place of business must be located within the state of North Dakota. The licensee must be permitted to use unimproved lots and premises for sales, storage, or display of motorcycles. A nonrefundable fee of fifty dollars will be charged for each inspection and must accompany each initial application for a motorcycle dealer's license. Any dealer violating this chapter must be assessed a one hundred dollar fee by the department for a first violation and a two hundred dollar fee by the department for a second violation within two years of the first violation. The department shall suspend the license of a motorcycle dealer licensed under this chapter if a third or subsequent violation of this chapter occurs within five years of the first violation.

39-22.3-04. Grounds for denial, suspension, cancellation, or revocation of dealer's license. The director may deny an application for a dealer's license or suspend, revoke, or cancel such a license after it has been granted for the following reasons:

1. For any material misstatement by an applicant in the application for the license.
2. For any willful failure to comply with the provisions of this chapter or with any rule adopted by the director.
3. For knowingly permitting any salesperson to sell or exchange, or offer or attempt to sell or exchange any motorcycle except for the licensed motorcycle dealer by whom the salesperson is employed, or to offer, transfer, or assign any sale or exchange that they may have negotiated to any other dealer.
4. For having violated any law relating to the sale, distribution, or financing of motorcycles.
5. For having ceased to have an established place of business as herein defined.

39-22.3-05. Bond required. The license applicant shall furnish a continuous surety bond executed by a surety company, licensed and qualified to do business within the state of

North Dakota, which bond must run to the state of North Dakota in the amount of ten thousand dollars and be conditioned upon the faithful compliance by said applicant with all the statutes of the state of North Dakota, regulating or being applicable to a dealer in motorcycles, and indemnifying any person having a motorcycle transaction with said dealer from any loss of damage occasioned by the failure of such dealer to comply with any statutory requirement of such transaction. The bond must be filed with the director prior to the issuance of a license. The aggregate liability of the surety of all persons may in no event exceed the amount of the bond. Any third party sustaining injury within the terms of the bond may proceed against the principal and surety without making the state a party of any such proceedings. The bond may be canceled by the surety, as to future liability, by giving written notice by certified mail, addressed to the principal at the address stated in the bond, and to the department. Thirty days after the mailing of the notice, the bond is null and void as to any liability thereafter arising. The surety remains liable, subject to the terms, conditions, and provisions of the bond, until the effective date of the cancellation.

39-22.3-06. Disposition of fees. Fees from registration of dealers must be deposited with the state treasurer and credited to the highway tax distribution fund.

39-22.3-07. Dealer permitting license to be used by another dealer - License revoked - Penalty. A dealer who permits any other dealer to use that first dealer's license, or permits the use of such license for the benefit of any other dealer, is guilty of an infraction. The director shall revoke the license of any dealer who violates this section.

39-22.3-08. Dealers to furnish information to director. All dealers engaged in the sale of motorcycles in this state shall furnish the director with such information as to models, specifications, selling prices, and such other data requested by the director as may be necessary in carrying out the provisions of this chapter.

39-22.3-09. Powers of the director. In addition to other powers provided by law, the director has the following powers and duties which must be exercised in conformity with this chapter:

1. To cancel, revoke, or suspend a dealer's license as provided for in this chapter.
2. To prescribe rules not inconsistent with this chapter governing the application for dealer's licenses and the cancellation or suspension or revocation of a dealer's license.
3. To employ and pay such persons as the director may deem necessary to inspect dealers in this state, investigate dealers for the information of the director, to procure evidence in connection with any prosecution or other action to suspend, revoke, or cancel a dealer's license in relation to any matter in which the director has any duty to perform.

39-22.3-10. Examination of books and records. The director or the director's duly authorized representative may inspect the books, letters, records, and contracts of any licensed motorcycle dealer relating to any specific complaint made against such dealer and held to be in violation of any of the provisions of this title.

39-22.3-11. Officers to administer the provisions of chapter. The director and the director's appointees are responsible for the administration of the provisions of this chapter.

39-22.3-12. Penalty for violation of provisions of chapter. Any person violating any of the provisions of this chapter for which another penalty is not specifically provided is guilty of a class B misdemeanor.